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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/471,971	12/23/1999	ALBHY GALUTEN	9386/1F051-U	8165

7590 04/11/2006
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805 THIRD AVENUE
NEW YORK, NY 10022

EXAMINER

POND, ROBERT M

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 04/11/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/471,971	GALUTEN ET AL.	
	Examiner	Art Unit	
	Robert M. Pond	3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 January 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 3-37, 42-76, 81, 83 and 85-88 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 3-37, 42-76, 81, 83, and 85-88 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

All pending claims 3-37, 42-76, 81, 83, and 85-88 were examined in this final office action. The Examiner is suggesting the Applicant consider a telephonic interview for further discussions.

Response to Arguments

Applicant's arguments filed 03 January 2006 have been fully considered but they are not persuasive.

The persistent central issue of disagreement on this case pertains to "dynamic updating predefined upstream business rules parameters." As noted below, Ginter specifically discloses this. Regardless of the number of embodiment combinations that mathematically may exist, this examiner cannot ignore these disclosures that specifically describe dynamic updating of parameters.

Ginter specifically discloses that "rules and controls" can be separately delivered. "Rules and control" may travel with the content they apply to, or "rules and control" can be delivered separately from content. Ginter further discloses that since no one can use or access protected content without permissions from corresponding "rules and controls," the distributor can control use of content that has already been (or will be in the future) delivered. "Rules and controls" may be

delivered over a path different from the path used for content delivery. "Rules and control" may also be delivered at some other time. Content may be used at the time it is delivered, or it may be stored for later use or reuse (see col. 55, lines 14-37). Ginter discloses "rules and controls" may be distributed at different times, in different ways, and by different VDE participants (see Fig. 2A; col. 52, lines 30-35). Ginter further discloses a given piece of content may be subject to different control information at different times or places of handling depending upon the evolution of its content control information. The evolution of control information can occur during the passing along of one or more VDE control information containing objects (see at least col. 46, lines 2-35).

Specific to dynamic updating, Ginter discloses an author changing their control structures (e.g. to reflect a sale, a new discounting model, a modified business strategy, etc.) that a user may or must receive in order to use the content container with the changed control structures. Ginter discloses by example, one or more control structures associated with a certain VDE content container may require a "refresh" for continued authorization to employ such structures, or the control structures may expire. This allows (if desired) a VDE content provider to periodically modify and/or add to VDE control information at an end user's site (employing the local VDE secure subsystem) (see at least col. 289, lines 45-56). Ginter discloses a consumer requesting controls subsequent to delivered content (see at least col. 289, lines 34-45). Ginter further discloses end-users periodically contacting the Virtual Distribution Environment (VDE) to

transmit content usage information, replenish their budgets, or to obtain additional control structures (see at least col. 289, lines 5-33). In light of these disclosures, the Examiner is firmly convinced that Ginter discloses dynamic updating of upstream business rules that are delivered with content or subsequent to content delivery either proactively or at the request of the consumer or end-user.

In every sense, Ginter's dynamic updating is on demand. Smith cited as pertinent though not relied upon in the previous office action clearly shows that in actual use, dynamic updating is being practice using InterTrust's system (i.e. Ginter). Smith teaches super-distribution, InterTrust's content container, changes to upstream business parameters altering rights data for content previously delivered and specifically provides an example of how dynamic updating is used (please see Item: U, pages 5 and 6; Smith, Mary Grace; "A new set of rules for information commerce- -Rights-protection technologies and personalized-information commerce will affect all knowledge workers," CommunicationsWeek, 06 November 1995, pg34, Proquest #10792731, 7pgs).

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

- 1. Claims 3-17, 19-36, 42-56, 58-75, 81, 83, 85, 87, and 88 are rejected under 35 USC 102(e) as being anticipated by Ginter (Paper #10, US 5,910,987).**

Ginter teaches all the limitations of claims 3-17, 19-36, 42-56, 58-75, 81, 83, 85, 87, and 88. For example, Ginter discloses a system and method for secure transaction management and electronic rights protection. Ginter further discloses:

- receiving from a consumer a request for selected item of information: content delivered in response to consumer search (e.g. abstracts, content titles, promotional materials, relevant dates, names of performers and/or authors) (see at least col. 282, lines 20-27).
- formulating one or more offers are associated with the selected item of information: offering full content or trial offer (see at least col. 131, lines 12-25); one or more offers associated with information requested (e.g. Process B determines "right to read, unrestricted, @\$50; Process B right

to read tender user info, @\$5.50) (see at least col. 250, lines 20-67); multiple offers associated with requested information (e.g. discount on time, billing alternatives based on quantity, incentives based on time of use, access right and extraction right but no copy right) (see at least col. 157, lines 11-67).

- dynamically updating the predefined upstream business rule parameters:
an author may have made changes to their control structures (e.g. to reflect a sale, a new discounting model, a modified business strategy, etc.) which a user may or must receive in order to use the content container with the changed control structures. For example, one or more control structures associated with a certain VDE content container may require a "refresh" for continued authorization to employ such structures, or the control structures may expire. This allows (if desired) a VDE content provider to periodically modify and/or add to VDE control information at an end user's site (employing the local VDE secure subsystem) (please note examiner's interpretation: dynamically updating resulting in one or more offers based on a sale, new discounts, or strategy) (see at least col. 289, lines 45-56); consumer requests controls subsequent to delivered content (see at least col. 289, lines 34-45). Please note examiner's interpretation: content creator or author, or provider is upstream relative to consumer.
- providing one or more offers to the consumer based on the dynamically updated upstream business rule parameters: as noted above,

dynamically updated controls resulting in one or more offers (e.g. a sale, discounted pricing).

- receiving a selection of one or more of the offers from the consumer:
supports user selection of subsets of VDE electronic information product (see at least col. 22, lines 10-65); For example, a certain quantity of certain text could mean associated images might be discounted by 15%; a greater quantity of text in the "mixed" increment selection might mean the images are discounted 20%). Such user selected aggregated information increments can reflect the actual requirements of a user for information and is more flexible than being limited to a single, or a few, high level, (e.g. product, document, database record) predetermined increments (see at col. 22, lines 29- 37); or example, the content provider may choose to charge only once for access to a portion of a property, regardless of the number of times that portion of the property is accessed by a user (please note examiner's interpretation: content accessed by a user is content requested by a user) (see at least col. 24, lines 21-24).
- delivering the requested information to the consumer and enabling the consumer to use the delivered information in accordance with the selected offer: main objective of VDE is to deliver requested information to the consumer in accordance with a selected offer; enforces commercial agreements of content delivered to consumers and end-users (see at least col. 5, lines 28-39; col. 8, lines 17-32; col. 14, lines 14-37).

- validating the one or more offers: validating schemes, permission schemes (see at least col. 40, lines 18-29;
- referencing an electronic contract between a content owner and distributor and retailer: electronic agreements between content creator, distributor, and retailer (see at least col. 45, line 58 through col. 46, line 64); agreements, terms and conditions; enacting terms and conditions of agreements involving multiple parties (see at least col. 18, line 63 through col. 19, line 15).
- determining whether the offer is consistent with the electronic contract: enforces agreements through the distribution chain (see at least col. 14, lines 14-16; col. 45, line 23 through col. 46, line 64).
- validating the offer when the offer is consistent: (see at least col. 250, lines 36-67).
- providing an alternative offer when the offer is determined to be invalid: offer is determined invalid and system responds with alternative offer (e.g. Process A requests right to read, tender user info/Process B determines "right to read, tender user info, @\$5.50) (see at least col. 250, lines 20-67);
- providing a default offer when the offer is invalid: offer is determined invalid and system responds with permitted offer (please note examiner's interpretation: a default offer since it is permitted according to current PERC) (e.g. Process A requests unrestricted right to read/Process B

determines "right to read, unrestricted, @\$50) (see at least col. 250, lines 20-67).

- validating step-generating rights data which determine the one or more offers associated with the information requested: system validates rights data with one or more offers associated with information requested (e.g. Process B determines "right to read, unrestricted, @\$50; Process B right to read tender user info, @\$5.50) (see at least col. 250, lines 20-67); validating rights data (see at least col. 156, line 36 through col. 157, line 67).
- generating step is performed prior to the delivering step and the rights data is delivered together with the requested information: distributor distributes right to use the content by sending the content's "rules and control" to a content user such as a consumer; consumer uses content in accordance with the usage-related "rules and control" (see at least col. 53, lines 49-53); "Rules and control" may also be delivered as some other time. Content may be used at the time it is delivered, or it may be stored for later use or reuse (see col. 55, lines 14-37).
- providing the rights data to the consumer in a secure format: (see at least Fig. 5B (302, 808)).
- dynamically updating the rights data: as previously noted (see at least col. 289, lines 45-56); consumer requests controls subsequent to delivered content (see at least col. 289, lines 34-45).

- executing a financial transaction between the consumer and a retailer related to the use of the requested information: executing cash or credit transaction as a result of content usage (see at least col. 5, lines 2-6).
- indicating a player associated with the consumer that the selected information may be rendered according to the consumer's request only when said request is consistent with said selected offer: players (see at least col. 59, line 54 through col. 60, line 4); as previously noted, right to use as specified by "rules and control" for requested content will not allow access to content unless conditions are met to allow access.
- verifying the current validity of the previously selected offer at a point in time subsequent to the selection of the offer: "Rules and control" may also be delivered at some other time; content may be used at the time it is delivered, or it may be stored for later use or reuse (see col. 55, lines 14-37); "Rules and controls" may be distributed at different times, in different ways, and by different VDE participants (see Fig. 2A; col. 52, lines 30-35). Please note examiner's interpretation: once "rules and controls" are sent (either with the content or subsequent to content delivery), validation occurs as previously noted.
- receiving a request from the consumer for additional material about the selected item of information: supplier facilitating addition of additional material about the selected item to be delivered to a requesting consumer

(e.g. reviews, commentary) (see at least col. 258, line 60 through col. 259, line 6);

- providing additional material about said selected item of information to the consumer: browsed or searched information (e.g. content summaries, abstracts, reviewers' commentaries, schedules, promotional materials) (see at least col. 101, lines 8-19).
- providing a sample of said selected item of information: trial use for a limited period of time (see at least col. 131, lines 12-25).
- providing a payment alternative: cash or credit (see at least col. 5, lines 2-6).
- delivering audio information: musical performance (see at least col. 56, lines 54-55).
- delivering graphical information: images, movie, picture (see at least col. 51, lines 7-8; col. 56, lines 54-55).
- delivering electronic information in a secure format: secured, DES encryption (see at least title, abstract; col. 196, line 45-67; col. 198, lines 5-22).
- providing one or more offers in a secure format: (see at least title, abstract; col. 196, line 45-67; col. 198, lines 5-22)
- monitoring the use by the consumer of the delivered information: (see at least abstract; col. 46, lines 44-45).

- detecting the manner of use of the information previously delivered: (see at least col. 220, lines 19-30).
- determining whether the use is within the scope of the selected offer:
preventing the use when the use is not within the scope of the selected offer: detecting illegal use and halting use (please note examiner's interpretation: determining use is within or not within scope) (see at least col.145, lines 14-33).
- tracking use: effecting a financial transaction according to tracked use: tracking usage; metering; billing method inspecting tracked usage (see at least col. 145, lines 34-62).
- effecting a financial transaction according to the selected offer: (see at least col. 32, lines 31-48).
- pay-per-use: \$5.90 for each viewing (see at least Fig. 4 (cost of unit)).
- pay for unlimited use for a period of time: weekly, monthly, daily in combination with \$1.20 per minute; can read novel as many times without further metering (unlimited use) (see at least Fig. 4 (when to report, cost of unit); col. 55, line 47 through col. 56, line 30).
- receiving a query containing one or more search terms from the consumer: supports dynamic user selection of information subsets of content; consumer search tools, consumer search criteria; hits for user selection (see at least col. 22, line 10 through col. 23, line 14).

- referencing a catalog: accessing electronic catalogs, online catalogs, content catalog (see at least col. 257, lines 13-21; col. 266, lines 13-15); content catalog and search mechanism (see at least Fig. 78 (3322, 3324); col. 281, lines 37-53).
- returning to the consumer one or more content referenced in the catalog: content delivered in response to consumer search (e.g. abstracts, content titles, promotional materials, relevant dates, names of performers and/or authors) (see at least col. 282, lines 20-27).
- receiving from the consumer a content reference selected by the consumer indicating a request for the information: content searched and desirable content downloaded by consumer (see at least col. 279, lines 29-54; specifically lines 38-45).
- receiving from a content owner an electronic contract representing an agreement between the content owner and a retailer: (see at least col. 45, line 23 through col. 46, line 64).
- receiving from the content owner one or more upstream business rules: as noted above, "rules and control" are passed along with or subsequent to content delivery; business parameters specified content creator (please note examiner's interpretation: upstream relative to user who is downstream relative to content creator) is passed to distributor who passes it along to the content user (e.g. creator permits distributor to

markup the wholesale price) (see at least col. 54, line 59 through col. 55, line 2).

- receiving a candidate offer from a retailer: retailer engaging in retail sales with consumers based on offer established between content creator or distributor and the retailer (see at least col. 46, lines 18-34).
- certifying the candidate offer as a certified offer: (see at least col. 45, line 23 through col. 46, line 34).
- sending the certified offer to the retailer: (see at least col. 45, line 23 through col. 46, line 34).
- determining whether the candidate offer is consistent with an electronic contract: as noted above, verifies compliance throughout the distribution chain.
- designating the candidate offer as the certified offer when there are no inconsistencies: enforcing rules and controls consistent with upstream rule(s) (e.g. enforcing rules and control from a) content creator to distributor, and b) distributor to consumer) (please note examiner's interpretation: enforcing rules and controls downstream is certifying no inconsistencies in usage rights passed to the consumer) (see at least col. 52, lines 20-47; col. 53, lines 36-48).
- determining whether the candidate offer is consistent with an upstream business rule: enforcing rules and controls consistent with upstream rule(s) (e.g. enforcing rules and control from a) content creator to

distributor, and b) distributor to consumer) (please note examiner's interpretation: enforcing rules and controls downstream is certifying no inconsistencies in usage rights passed to the consumer) (see at least col. 52, lines 20-47; col. 53, lines 36-48).

- determining whether there is an offer accompanying the request for the selected item of information received from the consumer: offer and counter-offers from consumer (see at least col. 250, lines 20-67).
- system: computer-based systems, personal computers, servers, processors, memory, network, software, operating systems, and applications. Inherent in Ginter are the structures necessary to permit execution of software applications or modularized software for conducting secure transactions and management of secure transaction.

Pertaining to system and apparatus claims 42-56, 58-75, and 83

Rejection of claims 42-56, 58-75, and 83 is based on the same rationale as noted above.

Pertaining to computer readable medium claim 81

Rejection of claim 81 is based on the same rationale as noted above.

- 2. Claims 18, 37, 57, 76, and 86 are rejected under 35 USC 103(a) as being unpatentable over Ginter (Paper #10, US 5,910,987) in view of Liquid Audio (Paper #26, PTO-892, Item: U).**

Ginter teaches all the above as noted under the 102(e) rejection and teaches a) content media players, b) downloading content to a consumer, and c) consumers using media players to play content, but does not disclose determining and providing the consumer with a media player. Liquid Audio teaches an online system and method of consumers purchasing and downloading content into a media player. Liquid Audio teaches determining a consumer is requesting a media player and further teaches delivering the media player to the consumer's computer that is activated for consumer use (Paper #26, PTO-892, Item: U, see pages 1-23). Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Ginter to provide an activate media player to a consumer as taught by Liquid Audio, in order to facilitate consumer consumption of purchasable content, and thereby increase sales for the electronic commerce service.

Ginter teaches all the above as noted under the 102(e) rejection, but does not teach supplying an offer to the consumer when there is no offer accompanying the request from the consumer. Liquid Audio teaches all the above as noted under the 103(a) rejection and further teaches providing an offer to a browsing consumer (Paper #26, PTO-892, Item: U, see pages 1-23) Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to

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modify the system and method of Ginter to provide an offer to a browsing consumer as taught by Liquid Audio, in order to facilitate consumer consumption of purchasable content, and thereby increase sales for the electronic commerce service.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Robert M. Pond whose telephone number is 571-272-6760. The examiner can normally be reached on 8:30AM-5:30PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Mr. Mark Fadok can be reached on 571-272-6755. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

A handwritten signature in black ink, appearing to read 'R. M. Pond', is positioned above the printed name.

Robert M. Pond
Primary Examiner
April 6, 2006